



Via electronic mail to: Don Rawlings, Committee Staff

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**Comments of Natalie Hildt, Manager of Public Policy Outreach
Northeast Energy Efficiency Partnerships (NEEP)
Before the Joint Committee on Energy and Technology
Regarding Senate Bill 1 - An Act Concerning Connecticut's Energy Future**

Chairman Fonfara, Chairwoman Nardello, and members of the Committee:

On behalf of Northeast Energy Efficiency Partnerships (NEEP)¹, thank you for the opportunity to submit written testimony on Senate Bill 1 – *“An Act Concerning Connecticut's Energy Future.”*

NEEP is a regional non-profit organization that advances the efficient use of energy in homes, buildings, and industry in New England, New York, and the Mid-Atlantic states. We accomplish this through regionally coordinated programs and policies that increase the use of energy efficient products, services and practices, and help achieve a cleaner environment and a more reliable and affordable energy system.

In general, we support energy efficiency elements of this bill and the overall efforts by the legislature and Governor Malloy to reform the state's framework for advancing energy efficiency as a leading solution to the state's energy and environmental challenges. As a resource, energy efficiency is clean, cost-effective and contributes to the local economy rather than sending energy dollars out of state on dirty fossil fuels. There are a number of areas where we see the possibility for improvement in the administration and coordination of ratepayer funded efficiency programs and complementary public policies, and recognize that SB 1 seeks to address several of them.

Connecticut's Act Concerning Electricity and Energy Efficiency of 2007 required that the state's electric utilities acquire "all available energy efficiency and demand reduction resources that are cost-effective, reliable, and feasible." While the Energy Efficiency Fund has, through the efforts of state, utility and other parties, made great strides in helping customers harness the power of efficiency, savings have fallen short of their potential. This is in no small part due to the lack of clear policy direction from previous administrations and the reluctance on the part of the Department of Public Utilities (DPUC) to embrace efficiency as a first-order resource as had been envisioned and mandated by the Assembly.

¹ These comments are offered by NEEP staff and do not necessarily represent the view of the NEEP Board of Directors, sponsors or partners.

**Support for the Department of Energy and Environmental Protection (Section 1)**

NEEP heartily supports the creation of the Department of Energy and Environmental Protection (DEEP), which will give the state a coordinated, cabinet level energy office that recognizes the inextricable link between energy and environmental policy. Having the DEEP should help establish the policy goals of secure, affordable, cleaner energy and environmental protection as equal public policy priorities.

An important part of the proposed re-organization is that the Commissioner of the DEEP would appoint a chair of the Energy Efficiency Board, replacing the DPUC as chief overseer of the ratepayer-funded efficiency programs. In NEEP's view, it is critical to put in place leadership who recognize the value of energy efficiency, and, in particular, the economics of efficiency.

In recent proceedings, the DPUC has moved counter to the recommendations of the Connecticut Energy Advisory Board and the Energy Efficiency Board and has not approved the state's Integrated Resource Plan to the fullest extent as was intended by legislative directive for the utilities to capture all cost effective efficiency.² These decisions have cost the state's businesses and consumers millions of dollars in added energy costs for electric generation that could have been saved had the Commission instead made the decision to meet Connecticut's needs through cost-effective and clean energy efficiency.

Connecticut Energy Procurement/Integrated Resources Plan (Sections 13, 48-49)

NEEP believes that the process of planning for Connecticut's energy needs should take a holistic and inclusive approach – in terms of fuel types as well as parties involved in shaping the Integrated Resource Plans (IRPs). The Electric Delivery Companies (EDCs) have, in our view, done good work in developing IRPs in the past, and have recommended efficiency targets in the spirit of capturing all-cost effective efficiency. Because of their expertise in designing and delivering customer efficiency programs, we believe it is important that the electric *and* gas utilities be equal partners in the development of the IRPs. The state and non-utility stakeholders should have a role in providing input into the plan, with ultimate review provided by the DEEP. It is worth noting that HB 6386, while it seeks to implement many reforms to the structure of efficiency program development and oversight, maintains a significant role for the utilities in helping to develop the IRPs under which they will ultimately be the entities that deliver the programs.

Energy Performance Standards for State Buildings (Section 21)

We are pleased that this bill sees an active role for the Department of Energy and Environmental Protection in the development of construction standards for public buildings. State policies to "lead by example" can help drive the market for energy efficient building practices, raise awareness of the benefits of investing in energy performance in buildings, and save vital taxpayers dollars.

We believe, however, that the legislation's emphasis on the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system as the preferred standard for building energy performance is

² See the 2007 Electric and Energy Efficiency Act: <http://www.cga.ct.gov/2007/AMD/H/2007HB-07432-R00HA-AMD.htm>



flawed. Research and analysis done on LEED buildings has shown that because it is a modeling system and does not actually require any verification of energy savings, and because it uses a “point” system that does not necessarily emphasize energy use, a significant percentage of LEED buildings have been shown to actually perform worse than buildings built simply to the baseline building energy code.

As an alternative, we recommend that Connecticut follow other states in the region by adopting a “stretch” energy code as the building performance standard for publicly funded buildings other than schools. A stretch code for state buildings is a set of requirements written in code-enforceable language, allowing architects and engineers to design to its requirements and builders to use it to construct more energy efficient buildings consistent with how they would adhere to the state building energy code. Such an approach is more likely to generate energy savings and would spare the state from the costly LEED accreditation process. NEEP has worked successfully with Massachusetts and New Hampshire to put such standards in place and looks forward to working with officials in Connecticut on a similar policy.

Therefore, we recommend that this legislation be amended to strike the reference to LEED in favor of a standard that the Commissioner of Energy and Environmental Protection determines to be a recognized high performance building energy standard that results in substantial, quantifiable energy savings.

Support for most Appliance Standards Provisions (Section 45)

Our organization believes strongly in the effectiveness of minimum efficiency appliance standards as a policy mechanism to save both the state and consumers energy and money as well as reduce harmful emissions associated with electricity generation. Since 2001, we have managed the regional [Northeast Appliance Standards Project](#), bringing a coordinated approach to advancing appliance standards. Connecticut should be proud of the leadership it has shown since passing two separate appliance standards bills in 2004 and in 2007. The provisions in SB 1 will strengthen the program by adding new products to the state’s program and delegating new capabilities to the Department. To elaborate further:

- We support the inclusion of several new consumer electronics products (compact audio, DVD, DVD recorders) into the states appliance standards program.
- We strongly support the language that directs Connecticut to automatically add additional products when they are adopted in partner states through participation in the [Multi-State Appliance Collaborative](#)³. This streamlined process maintains a regular pipeline of new products into the program, while offering the Department the opportunity to review the standards for applicability to Connecticut before final adoption. Several of the Collaborative’s members are active in standards development (most notably, California) and Connecticut would be wise to leverage those extensive resources. In addition to this mechanism, we urge the Department to stay engaged in both the Northeast Appliance Standards Project, facilitated by NEEP, as well as with Electrical Distribution Companies’ (EDC) efficiency

³ See <http://appliancestandards.org/>



program administrators. As part of the 2010 Program Plans, program administrators were directed to explore their potential role in promoting standards for several electronics products, including set-top boxes. It would certainly make sense for the Departments' efforts in exploring new products to be coordinated with those of the EDCs.

- Equally importantly is DEEP's role in making revisions to existing standards. NEEP supports the clarifying language as part of SB 1 that recommit DEEP to utilize OPM's current authority to maintain the relevance of their appliance standards through regular update. We look forward to the DEEP's giving greater weight to this existing responsibility. SB 1's revision to the existing statute is as follows:

*Not later than July 1, 2007, and biennially thereafter, ~~the office, in consultation with the Department of Public Utility Control,~~ [department] shall review and increase the level of such efficiency standards by adopting regulations in accordance with the provisions of chapter 54 upon a determination that increased efficiency standards would serve to promote energy conservation in the state and would be cost-effective for consumers who purchase and use such new products, provided no such increased efficiency standards shall become effective within one year following the adoption of any amended regulations providing for such increased efficiency standards.*⁴

Property Assessed Clean Energy (PACE)/Municipal Financing for Efficiency

We are encouraged that Connecticut is moving ahead to provide more opportunities for property owners to use private capital to invest in energy efficiency. High upfront costs present a significant barrier to investment in home energy improvements. Too many customers believe that energy efficiency projects are beyond their budget, even though the paybacks can be significant, lasting, and add value to their homes. Municipal clean energy financing programs, often called property assessed clean energy (PACE), offer one valuable tool that can be used in concert with Connecticut's utility-run energy efficiency programs to overcome hurdles of investing in energy efficiency. PACE programs allow individual property owners to leverage low-interest municipal loans for energy efficiency measures.

This legislation seeks to overcome barriers created to PACE programs by federal mortgage agencies last year. NEEP encourages officials in Connecticut to monitor similar efforts in Maine, New Hampshire, and Vermont and work collaboratively to develop successful "PACE 2.0" programs in which PACE liens are secondary to existing mortgages. The state should also work with the electric and gas utilities and the Connecticut Energy Efficiency Fund (CEEFF) to make sure that property owners leverage existing energy efficiency programs. Partnerships between utilities and municipalities will lower administrative costs for cities and towns, increase program participation, and incentivize more comprehensive energy improvements. NEEP stands ready to work with stakeholders in Connecticut to help design and implement this innovative financing initiative.

⁴ Connecticut General Laws, Chapter 298, Section 16a-48, Energy Efficiency Standards for Products



Thank you for considering our input during this important period of planning for Connecticut's energy future. We are very encouraged by all of the commitment to improving the state's energy programs and policies with an eye to maximizing energy efficiency, and look forward to continued collaboration with all parties to that end. Please do not hesitate to contact NEEP at any time if you have questions about energy efficiency policy issues.

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